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No. 86-675

IN THE
SUPREME COURT OF THE UNITED STATES

October Term, 1986

JASLOW DENTAL LABORATORY, INC., EDWARD JASLOW, RAND JASLOW AND DENTCOM, INC.,
Petitioners,

v.

WHELAN ASSOCIATES, INC.,
Respondent.

On Petition for a Writ of Certiorari to The United States Court of Appeals for the Third Circuit

BRIEF OF RESPONDENT WHELAN ASSOCIATES, INC. IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

In holding that copyright law protects the structure, sequence and organization of respondent's computer program (and not merely its literal text) against petitioners' infringement by copying, did the Court of Appeals correctly reject petitioners' attempt to create for computer programs a special limitation to the long-established copyright principles which protect a copyrighted work against more than verbatim copying?

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STATUTORY PROVISION INVOLVED

This case involves the following statute:

Copyright Act, 17 U.S.C. §102 (1982).

§102 Subject Matter of Copyright: In General

(a) Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the

aid of a machine or device. Works of authorship include the following categories:

(1) literary works;

(2) musical works, including any accompanying words;

(3) dramatic works, including any accompanying music;

(4) pantomimes and choreographic works;

(5) pictorial, graphic, and sculptural works;

(6) motion pictures and other audiovisual works; and

(7) sound recordings.

(b) In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.

COUNTERSTATEMENT OF THE CASE

Respondent, Whelan Associates, Inc. ("Whelan Associates")[1], contends that the decision below is correct and does not merit further review by this Court. The court below applied settled principles of copyright law to computer programs, as Congress intended, and petitioners are really only seeking a further review of the facts by this Court. Since many of the operative facts are omitted from the Petition[2], it is necessary to provide the following

1. Whelan Associates has no parent companies, subsidiaries or affiliates.

2. References to "Pet." are to pages of the Petition for Certiorari. Page references preceded by "A" are to pages of the two opinions below, as reproduced in the Appendix to the Petition.

counterstatement of the case, setting out additional factual material relevant to the consideration of the question presented.

A. Summary of Facts

In 1978 Jaslow Dental Laboratory, Inc. ("Jaslow Lab") was looking for a computer program that could be used in the business of manufacturing dental prosthetics and devices. (A62.) Rand Jaslow had failed in his own efforts to write such a program. (A62.) Jaslow Lab decided to hire Strohl Systems Group, Inc. ("Strohl") and especially Elaine Whelan, to write a custom software package for Jaslow Lab. (A62-63.) Strohl was chosen because Elaine Whelan, a Strohl officer and stockholder, was a highly skilled programmer with extensive experience in writing complex computer programs. (A62, 68.)

Following weeks of negotiation, on or about September 30, 1978, Jaslow Lab entered into an agreement with Strohl, providing that Strohl would design and write a computer program for Jaslow Lab. (A6, 63.) The agreement included a set of Strohl developed specifications for the program. The agreement further provided that Strohl would own the rights to the resulting computer program and market it to other dental laboratories. (A6, A62-63.)

In preparation for writing the program, Elaine Whelan visited Jaslow Lab and other dental laboratories to educate herself in their operations, work flow and administration. (A63-64.) This educational process was undertaken so that the resulting computer program could be readily used by all dental laboratories rather than being a custom program suitable only for Jaslow Lab. (A64, 77.)

Elaine Whelan completed the program, which she called "Dentalab," six months later, in March 1979. (A65.) It was written in EDL (Event Driven Language) for installation in an IBM Series One computer which Jaslow Lab had acquired. (A61, 63-64.) The program

was installed and operated successfully at Jaslow Lab. (A65, 68.)

The Dentalab program written by Elaine Whelan is a large, complex program consisting of numerous interrelated components. (A16.) Elaine Whelan's detailed outline of the program fills more than 200 pages of the record on appeal to the Third Circuit. (A17, n.16.) In writing the program, Elaine Whelan performed a great number of tasks. She prepared system flowcharts, the file structures (and the records and fields within each file structure), screen layouts, report layouts and program specifications. (A14-15, A19.) She organized the structure and sequence of the program elements which she had selected—e.g., groupings of data, presentation of data and acquisition of data to get from selected inputs to a desirable output. (A17-19,79.) She then wrote the source code. It should be noted that by the time she reached the code writing stage, a substantial amount of time and creativity had already been expended. (A19.) The coding function then translated that creativity into a computer language that can be converted into machine-readable language through an appropriate electronic interpreter or compiler. (A17.)

In writing the program, Elaine Whelan took the diverse needs, requirements and desires of dental laboratories, and translated them into a successful computer program. (A79.) She wrote a program universally applicable to all dental laboratories. (A64,77.)

In November 1979, Elaine Whelan formed Whelan Associates to market computer programs of her design, including the Dentalab computer program. (A61, 65-67.) She had previously terminated her relationship with Strohl and acquired Strohl's interest in the Dentalab program. (A65-66.) Whelan Associates continued to provide enhancements and modifications to the Dentalab program, substantially extending its usefulness. (A65.) Whelan Associates obtained copyright registrations for the original and modified program. (A67-68,72.)

In 1980, Rand Jaslow sought and subsequently obtained an agreement between Jaslow Lab and Whelan Associates wherein Jaslow Lab was to act as Whelan Associates' sales representative for marketing the Dentalab computer program. (A68-69.) The agreement, dated July 30, 1980, provided that Jaslow Lab was to use its best efforts to market the Dentalab program and Whelan Associates was to " 'use its best efforts and to act diligently to improve and augment the previously successfully designed Dentalab package'." (A7.) Jaslow Lab was to receive a percentage of the price of each program that it sold. (A7.) It was also contemplated that Jaslow Lab would act as a demonstration site for the Dentalab program. (A64.)

The parties worked together until the Agreement was terminated by Jaslow Lab on May 31, 1983. (A7-9, 70.) During that time, Rand Jaslow gained an intimate and detailed knowledge of the Dentalab program. (A72-73.) Also, as Whelan Associates' sales representative, Rand Jaslow came to realize that there was another market opportunity for the Dentalab program. (A7-8.) Because the Dentalab program was written in EDL for the IBM Series One, it could not be used on less expensive personal computers that might be attractive to smaller dental laboratories. (A7-8,61,71.) Without informing Whelan Associates, Rand Jaslow had begun in May or June, 1982 in his spare time to write a program in the BASIC computer language for use on such personal computers. (A9, A71-72.) That program, as completed (herein referred to as the "Dentcom program")[3], is one of two programs found by the district court to have infringed Whelan's copyright in the Dentalab program.

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3. The name "Dentcom program" is used for purposes of clarity and consistency with the opinion of the Court of Appeals. However, petitioner Dentcom, Inc. sold the program under the trademarks "Dentalab" and "Dentlab" until ordered to stop by the district court. (A72-73.)

(A89.) It is the program which is the subject of the Petition. At the time Rand Jaslow wrote the Dentcom program, he had possession of the source code written by Elaine Whelan for the Dentalab program. (A72.) He had surreptitiously and without consent obtained copies of that source code and he used it in developing the Dentcom program. (A72.)

Jaslow Lab's May 31, 1983 letter terminating the sales agreement was accompanied by a claim to all rights in the Dentalab computer program. (A8,70.) Jaslow Lab asserted that it alone could market the Dentalab program, and that the program contained Jaslow Lab trade secrets which were not to be used by Whelan Associates. The letter concluded with a veiled threat of litigation if Whelan Associates continued to market the Dentalab program. (A8, A70.)

On August 1, 1983, the individual defendants (Edward Jaslow and Rand Jaslow) formed defendant Dentcom, Inc. ("Dentcom") to sell the Dentcom program. (A70-71.) In addition, Jaslow Lab sold copies of the Dentalab program for the IBM Series One computer that it directly copied from the program in use at Jaslow Lab. (A73.)[4]

Dentcom's entry into the dental laboratory market was accompanied by news releases and promotional materials announcing the Dentcom program as a "new version" of the Dentalab program. (A9,72.) Dentcom's written description of what it referred to as the "Dentlab

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4. Petitioners state that this case does not ". . . involve infringement by near-identical or substantial copying of the literal elements of a program. The District Court did not find, and indeed there was no allegation, that any such copying had occurred." (Pet. at 5.) To the contrary, defendants Jaslow Lab, Edward Jaslow and Rand Jaslow were found to have willfully and intentionally infringed Whelan Associates' copyrights by selling duplicate copies of the IBM Series One program to two dental laboratories. (A73, 82, 89.) Petitioners simply chose not to appeal the finding of infringement based upon literal copying.

system" was a copy of the materials used by Whelan Associates to describe its Dentalab program, and the dental laboratory trade was informed by letter that "the Dentalab system is now sold and supported by Dentcom." (A72-73.) Dentcom also marketed the Dentcom program under the names "Dentalab" and "Dentlab" in order to mislead customers, and attempted to take over service and maintenance agreements originally entered into by Whelan Associates. (A73.)

B. Proceedings Below

Whelan Associates filed this action in the United States District Court for the Eastern District of Pennsylvania on September 21, 1983. Whelan Associates alleged (1) that Jaslow Lab's duplication of the Dentalab program for the IBM Series One computer infringed Whelan Associates' copyright in that program; (2) that Dentcom's sale of the Dentcom program for use on IBM PC's also infringed Whelan Associates' copyright on the Dentalab program; (3) that Jaslow Lab's and Dentcom's use of the trademarks "Dentlab" and "Dentalab" violated Pennsylvania common law and 15 U.S.C. §1125(a) (Lanham Trademark Act of 1946) (false designation of origin); and (4) that Jaslow Lab's and Dentcom's activities violated other federal and state laws pertaining to unfair competition and tortious interference with contractual relations.[5] Whelan Associates sought injunctive relief, as well as compensatory and punitive damages.

Defendants answered, denying all liability. They asserted that Whelan Associates' copyright was unenforceable against them, either because Jaslow Lab wholly

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5. Edward and Rand Jaslow were joined with the corporate defendants as joint tortfeasors. *Donsco, Inc. v. Casper Corp.*, 587 F.2d 602 (3rd Cir. 1978) (corporate officers are individually liable for the torts which they commit).

owned the copyright under the "work made for hire" doctrine of the copyright law (17 U.S.C. §201(b)), or because Rand Jaslow and Elaine Whelan were co-authors, thus giving Jaslow Lab co-ownership with Whelan Associates (17 U.S.C. §201(a)). Defendants also maintained that the Dentcom program did not infringe Whelan Associates' copyright because Rand Jaslow had independently written the Dentcom program, and because that program was not substantially similar to the Dentalab program. Defendants also counterclaimed for misappropriation of trade secrets.[6]

Defendants sought a preliminary injunction to enjoin Whelan Associates from using Jaslow Lab's trade secrets. After a three-day hearing, the district court denied the motion, holding that Jaslow Lab had not shown a likelihood of success on the merits and that it failed to prove any Jaslow Lab trade secret was incorporated into the computer program marketed by Whelan Associates to other dental laboratories.[7] (A11.)

A three day bench trial commenced on July 9, 1984. At trial, Whelan Associates pressed its claims for copyright infringement, trademark infringement, unfair competition and tortious interference with contractual relations. The defendants abandoned the trade secret counterclaim, but continued to assert that Jaslow Lab owned the copyright to the Dentalab program and that the Dentcom program was not substantially similar to the Dentalab program. (A11-12.)

The district court ruled for Whelan Associates on all grounds. The court's opinion included a substantial

6. Jaslow Lab had previously filed suit against Whelan Associates in the Pennsylvania Court of Common Pleas, alleging misappropriation of trade secrets. That suit was removed to the U.S. District Court as Jaslow Labs' counterclaim. (A11.)

7. The district court also found that defendants were guilty of unclean hands because of their potentially unfair and infringing use of the term "Dentlab," which was easily confused with Whelan Associates' "Dentalab." (A11.)

number of findings of fact (exclusive of those made at the hearing on defendant's motion for a preliminary injunction, and which were incorporated by reference into the district court's opinion). (A85.) The court specifically found, *inter alia*, that Rand Jaslow had not created the Dentcom program independently (A72), and that the Dentcom program, although written in a different computer language from the Dentalab program, and although not a direct translation of the Dentalab program, was substantially similar to the protected expression in the Dentalab program. (A82-86.) The court found the infringement to be willful and deliberate (A82,89), awarded Whelan Associates damages for the copyright infringement, and enjoined defendants from selling copies of the Dentalab and Dentcom programs and from using the trade names "Dentalab" or "Dentlab." (A91-92.)

On appeal to the United States Court of Appeals for the Third Circuit, defendants abandoned all issues except whether the district court erred in its finding that the Dentcom program infringes the copyright in the Dentalab program. (A14.)

In an opinion entered August 4, 1986, the Court of Appeals affirmed the district court. The Court of Appeals held that, consistent with venerable principles of copyright law, copyright protection of computer programs may extend beyond the literal elements of the program—the actual lines of code—to the structure, sequence and organization of the program. (A24-39.) Based upon an extensive review of the record, the Court of Appeals concluded that there was more than sufficient evidence of substantial similarity to support the district court's holding of copyright infringement. (A43-58.)

REASONS WHY THE WRIT SHOULD BE DENIED

Petitioners fail to raise a single special or important reason warranting the issuance of a writ of certiorari. The Third Circuit applied long-established copyright

principles, as required by the Copyright Act and its legislative history, in affirming the district court's finding of substantial similarity between the computer programs at issue here. There is no conflict between the decision of the court below and any decisions of this Court or of any other Court of Appeals. Moreover, the decision is consistent with each of the district court decisions which have addressed these issues. Thus, there is no sound reason for granting the writ.

I. THIS CASE PRESENTS NONE OF THE SPECIAL OR IMPORTANT REASONS FOR GRANTING CERTIORARI

The United States Court of Appeals for the Third Circuit applied well-established principles of copyright law to the computer programs at issue in this case, as required by the Copyright Act and clear Congressional intent. Nevertheless, petitioners ask this Court to grant a writ of certiorari, contending that judicial economy and purported "confusion" in the computer software industry render this case appropriate for this Court's review.

No notion of judicial economy would be served by this Court's review of the decision below. There is no conflict between the Third Circuit's decision and that of any other Court of Appeals or district court. No other Court of Appeals has even addressed the question whether a special exception to copyright protection should be adopted to permit non-literal copying of computer programs. The district courts that have considered the issue have uniformly recognized that traditional principles — which protect the structure, sequence and organization of copyrighted works — determine the scope of protection for computer programs. *See Broderbund Software, Inc. v. Unison World, Inc.*, No. C-85-3457 WHO (N.D. Cal. Oct. 8, 1986); *SAS Inst., Inc. v. S & H Computer Systems, Inc.*, 605 F. Supp. 816 (M.D. Tenn. 1985); *Q-Co. Indus. v. Hoffman*, 625 F. Supp. 608 (S.D.N.Y. 1985); *E.F. Johnson Co. v. Uniden*

Corp. of America, 623 F. Supp. 1485 (D. Minn. 1985). Indeed, petitioners acknowledge that "[u]p to now, in evaluating the scope of copyright for computer programs, the courts have done exactly what the Court of Appeals did in the instant case." (Pet. at 17.)

This is not a case where a lower court has boldly deviated from established principles, requiring this Court's supervisory attention. Nor is this a case where there is confusion among the lower courts over how to resolve legal issues arising from a new factual context; there is no conflict at all. The court below simply applied settled principles of copyright law to computer programs, and reached the same result as have the other lower courts faced with the same issue. Such a ruling hardly requires this Court's immediate attention.

Contrary to petitioners' assertion, there is no "turmoil" in the computer industry as a result of the decision below, nor is there "[c]ontinued uncertainty, lack of reliable standards, and ultimate market confusion." (Pet. at 9.) Since the lower courts have been uniform in their analysis of the issue, it is difficult to see how such "uncertainty" could arise. It is true that the decision below — like many other decisions addressing legal issues in the computer industry — has received comment in various publications, but comment hardly equates with "turmoil."[8] Nor is conflict among commentators a reason for granting certiorari.

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8. Petitioners' implication that most comment on this case has been negative (Pet. at 10 & n.8) ignores the articles indicating favorable reaction, some of which petitioners themselves cite. *E.g.*, Conley & Bryan, *A Unifying Theory for the Litigation of Computer Software Cases*, 63 N.C.L. Rev. 563, 614 (1985); Letter by James E. Bransfield, *Visual Copyrights*, BYTE, April 1986, at 14; Dun's Business Month, July 1986 at 32. *See* Raysman & Brown, *Copyright Protection Expanded for Software*, N.Y.L.J. Sept. 10, 1986, at 1, col. 1, not cited by petitioners.

Petitioners assert that "this case is of critical importance to an entire industry and has far-reaching implications for the public." (Pet. at 10.) Certainly the decision below is important to the computer software industry, because it makes clear that, as Congress intended, established principles of copyright law do apply to computer programs. But, contrary to petitioners' implicit suggestion, "important" does not mean that the decision below is wrong or otherwise requires the attention of this Court.[9]

On the present factual record, and with the present state of the law, there is simply no reason for this Court to address at this time the issues resolved by the decision below.

II. THE COURT BELOW PROPERLY APPLIED ESTABLISHED PRINCIPLES OF COPYRIGHT LAW TO THE COMPUTER PROGRAMS AT ISSUE HERE

A. The Copyright Act and Clear Congressional Intent Mandate the Application of Traditional Principles of Copyright Law, Including the Idea/Expression Dichotomy, to Computer Programs

The court below applied traditional principles of copyright law — and, in particular, the idea/expression dichotomy of 17 U.S.C. §102(b) — to computer programs. Petitioners, however, claiming that the court below engaged in "judicial activism" (Pet. at 9), now urge judicial activism by this Court. They ask this Court to reject the long-standing, now codified, idea/expression dichotomy (Pet. at 20), and to create instead a special

9. The very authority upon which petitioners rely to demonstrate the "importance" of the case (Pet. at 10-11) — the *amicus curiae* brief filed in the Third Circuit by ADAPSO, The Computer Software and Services Industry Association, Inc. — *supported* the decision below.

limitation to copyright protection, applicable only to computer programs, in order to permit petitioners to copy everything except the literal code of respondent's program.

Petitioners claim that "attempts to apply traditional copyright rules" to computer programs are "misguided," and that the Third Circuit erred in applying the idea/expression dichotomy, which they say "has little or no meaning when applied to computer programs." (Pet. at 20, 9-10.) They ask this Court to ignore the language of the Copyright Act and clear Congressional intent, and instead to design "an approach that bypasses entirely the idea/expression dichotomy." (Pet. at 20.)

The Third Circuit, however, did precisely what it was required to do by the statute and by unmistakable Congressional intent: it applied to computer programs the copyright principles that are applicable to literary works. Nothing in the Copyright Act or its history supports a special, narrower form of copyright protection for computer programs.

In enacting the 1976 Copyright Act, Congress confirmed that computer programs are protected as literary works under 17 U.S.C. §102(a)(1), and that the scope of protection for computer programs is determined under the well-settled general copyright principle that expression is protected, while ideas are not.

> "The term 'literary works' does not connote any criterion of literary merit or qualitative value: it includes catalogs, directories and similar factual, reference or instructional works and compilations of data. *It also includes computer data bases, and computer programs to the extent that they incorporate authorship in the programmer's expression of original ideas, as distinguished from the ideas themselves.*" H.R. Rep. No. 1476, 94th Cong., 2d Sess. 54 ("House Report"), *reprinted in* 1976 U.S. Code Cong. & Ad. News 5659, 5667 (emphasis supplied).

Both the House and Senate Reports make clear that §102(b) is intended to affirm and codify the traditional idea/expression dichotomy:

> "Section 102(b) in no way enlarges or contracts the scope of copyright protection under the present law. Its purpose is to restate, in the context of the new single Federal system of copyright, that *the basic dichotomy between expression and idea remains unchanged* . House Report at 57, *reprinted in* 1976 U.S. Code Cong. & Ad. News at 5670; S. Rep. No. 473, 94th Cong., 1st Sess. 54 (1975) (emphasis supplied).

Congress again addressed the issue of copyright protection for computer programs in 1980, when it passed the 1980 Computer Software Copyright Act, Pub. L. 96-517, §10, 94 Stat. 3028 (1980). In that Act, Congress adopted the recommendations of the National Commission on New Technological Uses of Copyrighted Works ("CONTU"). H.R. Rep. No. 1307, Part I, 96th Cong., 2d Sess. 23 (1980), *reprinted in* 1980 U.S. Code Cong. & Ad. News at 6460, 6482. *See Apple Computer, Inc. v. Franklin Computer Corp.*, 714 F.2d 1240, 1247 (3d Cir. 1983), *cert. dismissed*, 464 U.S. 1033 (1984). CONTU was established by Congress in 1974 to study, *inter alia*, computers and copyright and to make recommendations to Congress. Pub. L. No. 93-573, 88 Stat. 1873 (1974). CONTU issued its final report in 1978. Final Report of the National Commission on New Technological Uses of Copyrighted Works (1978) ("CONTU Final Report").[10]

CONTU recommended that the 1976 Copyright Act be amended to include a definition of computer programs, and that the then-existing §117, a status quo pro-

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10. Although the Court of Appeals did not regard the CONTU Final Report as binding authority with respect to §102(b), it concluded that "the Commission intended copyright protection to extend beyond the literal code." (A41-42.)

vision,[11] be repealed and replaced. The stated purpose of CONTU's recommendations was "to prevent any question concerning the impropriety of program piracy and to assure that all works of authorship are treated comparably under the new law." CONTU Final Report at 12-13. CONTU recognized no distinction between protection of the literal text and protection of other expressive elements of the computer program. It concluded that the line should be drawn for computer programs not between the program's various elements but — as with other copyrighted works — between the author's expression and his or her ideas:

> "Where could a meaningful line of demarcation be drawn? Between flow chart and source code? Between source code and object code? . . . The Commission believes that none of these is appropriate. The line which must be drawn is between the expression and the idea, between the writing and the process which is described." CONTU Final Report at 25.

Congress adopted, essentially verbatim, CONTU's recommendations, making clear that computer programs are not to be singled out for any special, limited form of copyright protection, but instead are to be protected under general copyright principles.

Notwithstanding the clear legislative history just described, petitioners seek to reargue in this Court the propriety of copyright protection for computer programs. They claim that computer programs, as works which are

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11. In 1976 Congress enacted the former §117 — a status quo provision declaring that the 1976 Act would do nothing to alter the scope of protection for copyrighted works used in conjunction with a computer, without delineating that scope — pending receipt of the CONTU Report and its recommendations. *See Apple Computer, Inc. v. Franklin Computer Corp.*, 714 F.2d at 1247.

"not communicative, but functional in nature," are not proper subjects for copyright protection because "copyright does not protect utilitarian works." (Pet. at 15, 14.)

Petitioners are simply incorrect in asserting that copyright protection has been denied to works just because of their utilitarian aspects. *See* CONTU Final Report at 21. Indeed, maps and charts have been protected by copyright since the first Copyright Act was passed in 1790. Act of May 31, 1790 (1st Cong., 2d Sess., chap. 15). Nor is it a prerequisite for copyright protection that a work be meaningful or communicate something. *See Reiss v. National Quotation Bureau*, 276 F. 717, 719 (S.D.N.Y. 1921) (L. Hand, J.); CONTU Final Report at 14. Moreover, computer programs are capable of communicating with people (*id.* at 21), and do produce useful communication to the user. *Apple Computer, Inc. v. Formula Int'l, Inc.*, 562 F. Supp. 775, 780 (C.D. Cal. 1983), *aff'd*, 725 F.2d 521 (9th Cir. 1984). Indeed, programmers with the requisite knowledge of the particular computer language in which a program is written can read and understand the program just as people with the requisite knowledge can read and understand a traditional literary work in French, German or English.

In any event, Congress was well aware of the utilitarian and communicative aspects of computer programs when it decided to confer on computer programs the full scope of protection under the Copyright Act.[12] Any objections petitioners have to that decision should be raised with Congress, not with this Court.

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12. In making that decision, Congress rejected the position of the CONTU minority, which argued (as do petitioners here) that computer programs should receive only a limited form of copyright protection because they are not primarily intended to communicate with people. CONTU Final Report, at 36-37.

B. The Court Below Correctly Applied the Principles of the Idea/Expression Dichotomy to the Facts of this Case

Applying the idea/expression dichotomy to computer programs, the Third Circuit correctly recognized that copyright protection for a computer program may extend beyond the literal text of the program to the author's creative expression in the program's structure, sequence and organization.

As the court below observed, "[t]he copyrights of other literary works can be infringed even when there is no substantial similarity between the works' literal elements." (A24-25.) Indeed, courts have consistently rejected the notion that copyright protects only the literal text of a work, recognizing that other elements of an author's expression — including the structure, sequence and organization of his or her work — are protected as well. *E.g., Twentieth Century-Fox Film Corp. v. Stonesifer*, 140 F.2d 579 (9th Cir. 1944) (copying structural details of play constitutes infringement); *Universal City Studios, Inc. v. Film Ventures Int'l, Inc.*, 543 F. Supp. 1134, 1137 (C.D. Cal. 1982) (copying "the basic story points, major characters, [and] sequence of incident" of a motion picture); *Meredith Corp. v. Harper & Row, Publishers, Inc.*, 378 F. Supp. 686 (S.D.N.Y.) (copying the structure and topic selection of a textbook), *aff'd*, 500 F.2d 1221 (2d Cir. 1974), *opinion after trial*, 413 F. Supp. 385 (S.D.N.Y. 1975); *Sheldon v. Metro-Goldwyn Pictures Corp.*, 81 F.2d 49, 55 (2d Cir.) (L. Hand, J.), *cert. denied*, 298 U.S. 669 (1936) ("[T]he sequence of these [structural] details is pro tanto the very web of the authors' . . . expression").

The Third Circuit relied on Professor Nimmer's treatise, which identified "comprehensive nonliteral similarity" as one of the ways in which one work might be substantially similar to another: " 'a similarity not just

as to a particular line or paragraph or other minor segment, but [that] the fundamental essence or structure of one work is duplicated in another.' " (A25 n.26, quoting 3 M. Nimmer, Nimmer on Copyright §13.03[A] at 13-20.1 (1986) (hereinafter cited as *"Nimmer"*).)

The court below was well aware that copyright protection against such non-literal copying is essential for protection to be meaningful. *Nichols v. Universal Pictures Corp., 45 F.2d 119, 121 (2d Cir. 1930) (L. Hand, J.), cert. denied,* 282 U.S. 902 (1931). As the court observed, "copyright 'cannot be limited literally to the text, else a plagiarist would escape by immaterial variations.' " (A25, *quoting Nichols v. Universal Pictures Corp.*, 45 F.2d at 121.)

With this background, the Third Circuit applied the idea/expression dichotomy to distinguish the protectible expression from the unprotectible ideas in computer programs:

> "[T]he line between idea and expression may be drawn with reference to the end sought to be achieved by the work in question. In other words, *the purpose or function of a utilitarian work would be the work's idea, and everything that is not necessary to that purpose or function would be part of the expression of the idea* . . . . Where there are various means of achieving the desired purpose, then the particular means chosen is not necessary to the purpose: hence, there is expression, not idea." (A29) (emphasis in original, footnote omitted).

The court below carefully qualified its holding, explaining:

> "We do not mean to imply that the idea or purpose behind *every* utilitarian or functional work will be precisely what it accomplishes, and that structure and organization will therefore always be part of the

> expression of such works. The idea or purpose behind a utilitarian work may be to accomplish a certain function *in a certain way* . . . and the structure or function of a program might be essential to that task." (A34 n.34) (emphasis in original, citation omitted).

The court below also made clear that "not all non-literal elements are essential to a given computer program" (A31 n.31), and that the idea/expression dichotomy is to be applied not only to the program as a whole but to the parts of the program (e.g., modules and subroutines) as well.[13] (*See, e.g.*, A29-30 n.28; A44 n.39; A46-47 n.43.)

The court below indicated that in some cases particular structures within the program may be uncopyrightable, and their similarity thus "not strongly probative of similarity of the program as a whole." (A46-47 n.43.) The court below also recognized that structural similarities may arise in legitimate, non-infringing ways, but stated that "[t]here can be no bright line rule as to when similarities are evidence of infringement and when they are legitimate — that is a determination to be made by the trier of fact." (A58 n.47.)

Turning to the facts of the case before it, the Court of Appeals concluded that because the evidence established that the structure of the Dentalab program was not essential to its purpose — the efficient management of a dental laboratory — the program's structure is part

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13. The court's careful application of the idea/expression dichotomy thus completely contradicts petitioners' description of it as an all-or-nothing proposition which

> "defines the elusive 'idea' in the program in such a grand, all-encompassing fashion that virtually every feature of every program in existence could be protected as 'expression.' " (Pet. at 24.)

of the *expression*, not the idea, of the program.[14]

The court pointed out that the structure of respondent's program could hardly be considered essential to the task of running the business of a dental laboratory, because there are competitive programs on the market which "perform the same functions but have different structures and designs." (A34-35.) It concluded, moreover, that there was no evidence that the similarities between the two programs at issue here arose in legitimate ways. (A58 n.47.)

Having determined that the structure, sequence and organization of respondent's program is protectible, the court below reviewed the evidence of substantial similarity. Citing evidence offered by respondent's expert which "demonstrates the marked similarity between the programs," the court below affirmed the district court's finding of copyright infringement. (A58.)

Thus, the Third Circuit carefully applied established legal principles to the factual record of this case, and determined that copyright protection for respondent's computer program extends beyond the literal text of the program to the creative expression in the structure, sequence and organization of the program, and that petitioners unlawfully copied that protected expression.

C. Petitioners' Objections to the Opinion Below Are Without Foundation

In an attempt to solicit review by this Court, the petitioners raise a host of empty objections to the Third Circuit's application of the idea/expression dichotomy to the facts of this case. Their objections are without foundation.

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14. The court found "no suggestion in the record . . . that the purpose of the Dentalab program was anything so refined" as accomplishing the underlying functions in a particular way, where "the structure or function of a program might be essential to that task." (A34-35 n.34.)

First, they argue that "protecting structure confers a property right in efficiency." (Pet. at 16.) If there were merit to the argument, it would apply not merely to a computer program's non-literal elements but also to the literal text of the program code — and not even petitioners suggest that program code is unprotected. But, more significantly, petitioners distort the court's holding and minimize the substantial creativity that goes into computer programming.

As the court below explained, authors of computer programs have numerous choices to make at every stage of the programming process. (*See* A14-18.) Other courts which have examined copyright protection for computer programs have also emphasized the creativity required to develop such forms of expression. For example, the Fourth Circuit recently observed in *M. Kramer Mfg. Co. v. Andrews*, 783 F.2d 421, 436 (4th Cir. 1986):

> "[I]n the computer field '[t]here exists a virtually unlimited number of instruction sequences that would enable a programmer to construct a program which performs even the more basic algorithmic or mathematical procedures.' . . . It follows, therefore, that normally in the computer field, courts are concerned with expression and not idea, as those terms are defined in copyright law."

Similarly, the court in *SAS Inst., Inc. v. S & H Computer Systems, Inc.*, 605 F. Supp. 816, 825 (M.D. Tenn. 1985) explained:

> "[T]hroughout the preparation of a complicated computer program such as SAS, the author is faced with a virtually endless series of decisions as to how to carry out the assigned task. . . . [T]he author must decide how to break the assigned task into smaller tasks, each of which must in turn be broken down into successively smaller and more detailed

> tasks. . . . At every level, the process is characterized by choice, often made arbitrarily, and only occasionally dictated by necessity. Even in the case of simple statistical calculations, there is room for variation, such as the order in which arithmetic operations are performed. . . . As the sophistication of the calculation increases, so does the opportunity for variation of expression."

The Third Circuit also made clear that when a program's structure is dictated by necessity, so that the programmer has little room for creative choice, the structure will not be protected. However, on the record established at trial, the Third Circuit affirmed the district court's finding that there was no evidence that there was only one or a limited number of ways to write a computer program to efficiently manage a dental laboratory; the court found that many different structures were possible. (A34-35.)

Petitioners choose simply to ignore the Third Circuit's clear statement that structure is unprotectible when dictated by necessity, and its factual finding that many structures were possible here. Petitioners' claim that the court's application of the idea/expression dichotomy would protect a hypothetical single "efficient" way to write a computer program is merely a request for yet another review of the district court's findings of fact — findings which were appealed to the Third Circuit and, after a review of the record, sustained as "far from being erroneous." (A43-44, A54.)

Second, petitioners mischaracterize the court's opinion in complaining that "the Third Circuit deliberately refused to recognize any meaningful distinction" between computer programs and other works. (Pet. at 18.)

The court below refused — quite properly — to recognize any distinction between the *principles* applicable to computer programs and the *principles* applicable to

other literary works. However, the court did acknowledge that when those principles are applied to different literary works, the resulting breadth of protection may vary. Indeed, it discussed precisely this point, explaining that protecting program structure which can be expressed in many ways is in no way inconsistent with the limited protection accorded fact-intensive works. As the court below explained, fact-intensive works are given limited copyright protection because

> "there are only a limited number of ways to express factual material, and therefore the purpose of the literary work — telling a truthful story — can be accomplished only by employing one of a limited number of devices. . . . Those devices therefore belong to the idea, not the expression, of the historical or factual work." (A31, citation omitted.)

Where there are many ways to express the work's purpose, however, copyright protection is not so limited. And in the case of computer programs generally — and the ones at issue here in particular (A34-35) — there are many ways to express the ideas contained in the work. *See M. Kramer Mfg. Co. v. Andrews*, 783 F.2d at 436; *SAS Inst., Inc. v. S & H Computer Systems, Inc.*, 605 F. Supp. at 825.

Petitioners also attempt to create a conflict between this case and *Baker v. Selden*, 101 U.S. 99 (1879), and other cases involving utilitarian works. No such conflict exists. Where there are many ways of expressing an idea, the expression is protectible under copyright. *Baker* does not hold otherwise, nor does it hold, as petitioners argue (Pet. at 14), that utilitarian works may not be protected by copyright.[15]

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15. As Professor Nimmer states, "the rationale for the doctrine of *Baker v. Selden* in no event justifies the denial of copyrightability to any work." 1 *Nimmer* §2.18[C] at 2-200. *See* CONTU Final Report at 19; *see also* pp. 16-17, *supra*.

Third, petitioners complain that the court's application of the idea/expression dichotomy is "meaningless and unworkable" and "demonstrates the ineffectiveness of the dichotomy as applied to computer software." (Pet. at 21.) Based on this unsupported assertion, they conclude that the court below should have cast aside the Copyright Act and its legislative history in order to construct for computer programs a unique limitation: protection for literal text only.

The task of differentiating protectible expression from unprotectible ideas has never been susceptible of simplistic resolution. The answer necessarily depends on the facts and circumstances in each case. As the Third Circuit explained:

> "There can be no bright line rule as to when similarities are evidence of infringement and when they are legitimate — that is a determination to be made by the trier of fact." (A58 n.47.)

This is as true for traditional works as it is for computer programs. Judge Learned Hand stated his famous "abstractions test" for separating idea from expression as follows:

> "Upon any work, and especially upon a play, a great number of patterns of increasing generality will fit equally well, as more and more of the incident is left out. The last may perhaps be no more than the most general statement of what the play is about, and at times might consist only of its title; but there is a point in this series of abstractions where they are no longer protected, since otherwise the playwright could prevent the use of his 'ideas,' to which, apart from their expression, his property is never extended." *Nichols v. Universal Pictures Corp.*, 45 F.2d 119, 121 (2d Cir. 1930), *cert. denied*, 282 U.S. 902 (1931) (citations omitted).

As Judge Hand acknowledged, "[d]ecisions must . . . inevitably be *ad hoc*." *Peter Pan Fabrics, Inc. v. Martin Weiner Corp.*, 274 F.2d 487, 489 (2d Cir. 1960).

Petitioners might as easily characterize the well-known abstractions test as "meaningless and unworkable." It does not provide the bright line between the protectible and the unprotectible that petitioners ostensibly seek. Like the Third Circuit's rule, it is but an attempt to aid the courts in a determination which must inevitably depend on the facts of a particular case.

Difficulty in separating the protectible from the unprotectible under traditional principles of copyright law does not warrant adoption of a special literal-text-only exception to protection for computer programs. The court below appropriately rejected petitioners' contention:

> "[I]t is surely true that limiting copyright protection to computers' literal codes would be simpler and would yield more definite answers than does our answer here. Ease of application is not, however, a sufficient counterweight to the considerations we have adduced on behalf of our position." (A33.)

Moreover, the certainty of even a literal-text-only test would be illusory. How closely would others be permitted to paraphrase the program code, or to edit, revise or otherwise adapt it? The answer to that question would also be one that the courts could determine only on a case-by-case basis.

Fourth, petitioners argue that the structure of a computer program is inseparable from the underlying ideas and processes which the computer implements. (Pet. at 18.) Petitioners ask this Court to declare, without any factual basis, that program structure can never be separated from function.

Many courts, including the court below, have found otherwise. As the court below recognized, the determination of whether program structure, sequence and organization can be separated from function must necessarily be made with reference to the specific facts of each case. (A58 n.47.) Similarly, the Third Circuit stated in *Apple Computer, Inc. v. Franklin Computer Corp.*:

> "If other programs can be written or created which perform the same function as an Apple's [sic] operating system program, then that program is an expression of the idea and hence copyrightable. In essence, this inquiry is no different than that made to determine whether the expression and idea have merged, which has been stated to occur where there are no or few other ways of expressing a particular idea." 714 F.2d at 1253 (citations omitted).

On the facts of this case, the Third Circuit found that the structural details of the program which petitioners copied were protectible expression. Petitioners' fear that recognizing structure as protectible on the facts of the present case will necessarily lead to the protection of unprotectible ideas, processes or methods in the future is simply unwarranted.[16]

Fifth, petitioners obfuscate distinctions between copyright law and patent law in claiming that the court below provided respondent's program with "patent-like protection in the guise of copyright." (Pet. at 11.)

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16. *See, e.g., Q-Co Indus. v. Hoffman*, 625 F. Supp. 608 (S.D.N.Y. 1985). There, the court recognized that non-literal elements of computer programs, "including structure and arrangement," are elements of their protected expression. *Id.* at 615-16. However, the court determined on the facts of that case that the basic four-function/four-module structure taken by defendants from plaintiff's program lacked sufficient originality to be afforded protection. The court concluded that the particular structure and organization which had been copied was as inevitable as "wheels for [a] car." *Id.* at 616.

Fundamental to the distinction between copyright and patent law is that a copyright, unlike a patent, confers no protection against independent creation of a similar work. Copyright confers protection only against one who copies; one who does not copy does not infringe. Had petitioners independently created the same structure, sequence and organization as in respondent's program, there would be no copyright infringement. However, as the Court of Appeals recognized, there is no suggestion of independent creation here. (A20 n.23.) The factual findings of the district court on this issue are clear. (A72-73.)

Petitioners misstate the opinion below, and the copyright law generally, when they claim that copyright protection will preclude "using and learning" from the structure of computer programs. (Pet. at 5-6.) The court below recognized that the principles of copyright law permit using and learning from copyrighted works, and nothing in the court's opinion suggests a different rule for computer programs. (A34 & n.33.) The copyright law simply does not permit the extensive copying that petitioners engaged in here.[17]

Petitioners also suggest that protecting computer programs from the wholesale appropriation of everything short of their literal text will "stifle innovation."[18] (Pet. at 12.) Petitioners argue that computer technology is different from other fields, and that progress in the field

17. Petitioners raise the spectre that "mere similarity" of one program to another might occasion a claim of copyright infringement. (Pet. at 12.) However, "mere similarity" is not sufficient; as the court below took care to point out, there must be *substantial* similarity. (A20 & n.23.) As the district court found, and the Court of Appeals affirmed, there is substantial similarity in the present case. (A84-85; A58.)

18. In fact, precisely the opposite is true. *See, e.g.*, Raysman & Brown, *Copyright Protection Expanded for Software*, N.Y.L.J., Sept. 10, 1986, at 1, col. 1 (the Court of Appeals' decision "should stimulate productivity and creativity in the computer software production industry").

requires that computer programs be treated differently under the copyright law. The Third Circuit addressed and rejected the same argument, that progress in computer technology is achieved by means of " 'stepping-stones,' " a process which " 'requires.plagiarizing in some manner the underlying copyrighted work.' " (A33, citation omitted.) As the court below observed, "copyright law has always recognized and tried to accommodate the fact that all intellectual pioneers build on the work of their predecessors." (A34, footnote omitted.) The court concluded that progress in computer technology is not "qualitatively different from progress in other areas of science or the arts," and therefore no special restriction on copyright protection is warranted. (A33-34.)

Finally, petitioners seriously mischaracterize the Third Circuit's opinion in suggesting that this Court should hear this case to clarify the relevance of labor and effort to the scope of copyright protection. (Pet. at 25-27.) Their suggestion that the court below protected the *labor* respondent invested in the computer program, rather than the program's *expression*, is fanciful.

Petitioners choose simply to ignore the court's discussion of the creativity of expression in the structure, sequence and organization of a program. As is readily apparent when read in context, the court below recognized the protectibility of program structure because it is creative expression, not because of the labor expended, or the costs incurred, in the creation of computer programs. (A14-19, A31-32.) Indeed, the court's references to costs and efforts come only after its lengthy discussion of the creative process involved in writing a program, which emphasized that programmers have numerous choices for creative expression available at every stage of program development. (A14-18.) The court below referred to the investment made in developing program structure in order to explain that recognizing copyright

protection for the expression in program structure, sequence and organization is consistent with the basic purposes of the copyright law, one of which is to provide economic incentives to authors for the creative efforts from which the public benefits. (A27 & n.27.) *See* 1 *Nimmer,* §1.03[A], at 1-32.

CONCLUSION

For the reasons stated above, the petition for a writ of certiorari should be denied.

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